

IN THE CLAIMS:

1-2. **(Canceled)**

3. **(Currently Amended)** The method of ~~claim 1~~ **claim 45**, wherein the contingency includes at least one of a shipment of goods, a promise to ship the goods, a performance of services, a promise to perform services, a shipping date restriction, a performance date restriction and inspection of the goods.

4. **(Currently Amended)** The method of ~~claim 1~~ **claim 45**, wherein the financial service provider includes a **FSP bank**.

5. **(Currently Amended)** The method of ~~claim 1~~ **claim 45**, wherein the releasing step includes a step of sequestering funds of the ~~drawer~~ **buyer** on deposit with the financial service provider, the sequestered funds being at least equal to a portion of the payment on the draft.

6. **(Currently Amended)** The method of ~~claim 1~~ **claim 45**, wherein **a portion of the payment originates from a** ~~the~~ first letter of credit **of the buyer is one of revocable and irrevocable**.

7. **(Currently Amended)** The method of ~~claim 1~~ **claim 6**, wherein the first letter of credit is effective for a predetermined time period.

8. **(Currently Amended)** The method of ~~claim 1~~ **claim 6**, wherein the financial service provider further carries out a step of charging the ~~drawer of the draft~~ **buyer** a fee for an establishment of the ~~online~~ **first** letter of credit.

9. **(Currently Amended)** The method of ~~claim 1~~ claim 8, further comprising the step of debiting the fee from the funds of the ~~drawer~~ buyer on deposit with the financial service provider.

10. **(Currently Amended)** The method of ~~claim 1~~ claim 6, wherein the first letter of credit increases a value of the ~~drawer's~~ buyer's funds on deposit with the financial service provider only for purposes of determining whether sufficient funds are available to release payment on the draft.

11. **(Currently Amended)** The method of ~~claim 1~~ claim 6, wherein the first letter of credit is effective for one of a single electronic transaction and multiple electronic transactions.

12. **(Currently Amended)** The method of ~~claim 1~~ claim 45, further comprising the step of granting the financial service provider a security interest in goods received exchange for the released payment.

13. **(Currently Amended)** The method of ~~claim 1~~, claim 6, further comprising the step of providing the buyer wherein the computer site is configured to provide the drawer of the draft with secure and restricted access to an accounting of ~~the a~~ status of the first letter of credit via the website.

14. **(Canceled)**

15. **(Currently Amended)** The method of ~~claim 1~~ claim 45, further comprising the step of creating a first online performance bond linked to ~~a drawee of the draft~~ the seller, the first performance bond releasing first liquidated damages to the ~~drawer~~ buyer of the draft upon failure of the ~~drawee~~ seller to perform according to terms of the electronic transaction.

16. **(Currently Amended)** The method of claim 15, further comprising the step of sequestering the first liquidated damages from an account of the ~~drawee~~ seller until the ~~drawee~~ seller performs according to the terms of the electronic transaction or is excused from performing.

17. **(Currently Amended)** The method of claim 15, further comprising the step of creating a second online letter of credit linked to the ~~drawee~~ seller and wherein at least a portion of the first liquidated damages originates from the second online letter of credit when funds available to the ~~drawee~~ seller are insufficient to release payment of the first liquidated damages to the ~~drawer~~ buyer.

18. **(Currently Amended)** The method of ~~claim 1~~ claim 45, further comprising the step of creating a second online performance bond linked to a ~~drawer~~ buyer of the draft, the second online performance bond releasing second liquidated damages to the ~~drawee~~ seller of the draft in a case wherein the ~~drawer~~ buyer fails to perform according to terms of the electronic transaction.

19. **(Currently Amended)** The method of claim 18, further comprising the step of sequestering the second liquidated damages from an account of the ~~drawer~~ buyer until the ~~drawer~~ buyer performs according to the terms of the electronic transaction or is excused from performing.

20. **(Currently Amended)** The method of claim 18, wherein at least a portion of the second liquidated damages originates from the credit extended to the ~~drawer~~ buyer when the funds of the ~~drawer~~ buyer on deposit with the financial service provider are insufficient to cover the release of the second liquidated damages.

21. (Canceled)

22. (Currently Amended) The method of claim ~~21~~ 45, wherein the providing access to the buyer and the seller step includes authenticating the buyer and seller at the website
at least one document is accessible only to authenticated parties to the transaction.

23-44. (Canceled)

45. (New) A computer-implemented method of carrying out an electronic transaction that includes a payment from a buyer to a seller via a secure electronic draft, comprising the steps of:

- storing on a server a document comprising the draft and a set of contingencies for releasing payment on the draft to the seller via a financial service provider;

- assigning at least one secondary party to the transaction to at least one contingency of the set of contingencies;

- linking a website to the server;

- providing the buyer and the seller access to the document via the website;

- providing restricted access to the contingencies to the secondary parties via the website, the restricted access enabling each secondary party to access to only the at least one contingency assigned to the secondary party;

- authenticating the secondary party at the website;

- receiving, from the authenticated secondary party, a request for removal of the contingency assigned to the authenticated secondary party;

- tracking removal of the set of contingencies at the server;

- determining that each of the contingencies has been removed, and

based on the determination, releasing the payment to the seller via the financial service provider.

46. **(New)** The method of claim 45, further comprising:

creating an online performance bond, the online performance bond defining one of first liquidated damages to be paid to the buyer upon non-performance of the seller and second liquidated damages to be paid to the seller upon non-performance of the buyer;

determining that the buyer and the seller have performed;

paying the first liquidated damages to the buyer only when the determining step determines that the seller has not performed according to terms of the transaction and withholding payment of the first liquidated damages otherwise, and

paying the second liquidated damages to the seller only when the determining step determines that the buyer has not performed according to terms of the transaction and withholding payment of the second liquidated damages otherwise.